CBDT introduces AIS reporting of foreign financial information through Form No. 168

14 July 2026

Summary

The Central Board of Direct Taxes (CBDT) has authorised the reporting of foreign financial information received under India's Automatic Exchange of Information (AEOI) framework in taxpayers' Annual Information Statement (AIS) through newly introduced Form No. 168. The information is required to be uploaded within 90 days from the end of the month in which it is received by the tax authorities.

The measure represents a significant enhancement in the Income-tax Department's use of global financial information and is expected to increase scrutiny of overseas assets, foreign bank accounts, investment portfolios and foreign-source income reported by Indian taxpayers.

Background

India receives financial account information relating to Indian tax residents from overseas jurisdictions under international information exchange arrangements, including the Common Reporting Standard (CRS) and other AEOI mechanisms.

To improve taxpayer visibility and strengthen compliance monitoring, CBDT has now prescribed a framework for displaying such information in the AIS through Form No. 168. The order has been issued under Section 239 of the Income-tax Act, 2025 read with Rule 245(2) of the Income-tax Rules, 2026.

Key highlights

1. Foreign financial information to be reflected in AIS

Information received under international AEOI arrangements referred to in Section 159 of the Income-tax Act, 2025 will be uploaded in taxpayers' AIS through Form No. 168.

2. Prescribed timeline

The Directorate General of Income Tax (Systems) is required to upload such information within 90 days from the end of the month in which the information is received.

3. Role of DGIT (Systems)

The DGIT (Systems), Delhi has been empowered to prescribe reporting procedures, technical standards, upload formats and implementation protocols for operationalising Form No. 168 within the AIS ecosystem.

Why this matters

- Increase visibility of overseas financial information available with the tax authorities
- Enable taxpayers to reconcile foreign asset and income disclosures with information received from foreign jurisdictions
- Strengthen data-driven tax administration and risk assessment processes
- Facilitate identification of undisclosed foreign assets and foreign-source income
- Promote voluntary compliance and reduce reporting mismatches

Key compliance steps for taxpayers

1. Build a complete foreign asset inventory: Capture every overseas financial relationship: bank accounts, custodial/brokerage accounts, foreign securities, mutual funds/ETFs, ESOPs/RSUs, pension/retirement accounts, overseas insurance, foreign trusts/foundations, crypto accounts and jointly-held accounts.
2. Map assets and income to Indian tax return schedules: Cross-check Schedule FA, foreign source income disclosures, tax relief/foreign tax credit schedules, capital gains schedules and other income schedules.
3. Reconcile income and balances: Match interest, dividends, capital gains, pension withdrawals, rental income, ESOP income and closing balances with foreign statements and Indian tax filings.
4. Review historical reporting positions: Identify legacy accounts, dormant accounts, inherited assets, omitted accounts, undisclosed foreign income and assets held through family or trust structures.
5. Monitor AIS and preserve explanations: Once available, download the AIS/Form No. 168 information periodically, match entries to records and maintain written explanations for differences.
6. Validate foreign tax credit claims: Ensure credits claimed in India are backed by foreign tax returns, withholding certificates, tax payment receipts and exchange-rate workings.

Document checklist for foreign asset reconciliation

Category	Documents to retain/review
Foreign bank accounts	Bank statements; annual account summaries; account opening/closure documents; interest certificates.
Foreign brokerage/custody accounts	Portfolio statements; custodian statements; trade confirmations; annual tax reports; dividend summaries.
Listed shares, mutual funds and ETFs	Purchase records; sale confirmations; contract notes; realised gain/loss statements; cost basis reports.
ESOPs/RSUs/employment-linked awards	Grant letters; vesting schedules; exercise confirmations; sale statements; payroll withholding reports.
Retirement, pension and insurance products	Annual pension/retirement statements; withdrawal records; foreign insurance policy documents; surrender value statements.
Overseas real estate	Purchase deed; sale deed; rental agreements; loan statements; property tax records; rental income workings.
Foreign trusts, foundations and beneficial interests	Trust deed; beneficiary details; trustee statements; distribution statements; letters of wishes/relevant correspondence.
Foreign tax credit support	Foreign tax returns; withholding tax certificates; tax payment receipts; tax residency or assessment documents, where available.
Exchange rate and remittance support	RBI reference rates; bank conversion statements; SWIFT/wire transfer advice; Form A2 and outward remittance records, where applicable.
Inherited or gifted overseas assets	Probate/succession documents; gift deeds; estate distribution statements; valuation support and transfer records.

Red flags likely to trigger queries

Mismatch indicators	Practical control file
• Foreign account appears in AIS but not in Schedule FA. • Foreign dividends/interest appear in statements but not in return. • Joint accounts or closed accounts omitted. • Assets inherited or held through family structures not reported.	• Master foreign asset register. • Annual portfolio/income summary. • Tax return disclosure workbook. • AIS reconciliation sheet with explanations. • FTC computation and supporting certificates.

Immediate action points

Taxpayers with overseas financial interests should consider the following:

Action area	Key steps
Foreign asset review	• Review disclosures reported in Schedule Foreign Assets (FA) and other relevant schedules • Verify reporting of overseas bank accounts, custodial accounts, investment portfolios, trusts and other reportable assets
Income Reconciliation	• Reconcile foreign income disclosures with overseas account statements and investment records. • Validate foreign tax credit claims and support documentation.
Historical Review	• Reassess prior years' reporting positions for foreign assets and foreign-source income. • Identify and evaluate historical omissions or inconsistencies, if any.
AIS Monitoring	• Establish a periodic process for monitoring AIS updates. • Investigate and resolve mismatches promptly.

Effective date

The CBDT order dated 8 July 2026 is effective immediately.

Key takeaway

Foreign financial information received by India under AEOI arrangements will now be reflected in taxpayers' AIS through Form No. 168.

Taxpayers with overseas assets or income should proactively review disclosure positions, reconcile foreign financial information and ensure consistency between AIS data and tax return reporting to mitigate potential scrutiny risks, maintain source documents and preserve explanations for mismatches before queries arise.

Our comments

This development substantially increases transparency around offshore assets and cross-border financial holdings.

Historically, information received under AEOI was primarily used by tax authorities for internal verification and risk assessment. By integrating such information into AIS, taxpayers will now have direct visibility of at least part of the foreign financial information available with the tax authorities, enabling proactive reconciliation before filing returns or responding to enquiries.

The introduction of AIS reporting for AEOI information makes it important for taxpayers with offshore assets to move from return-focused reporting to evidence-backed reconciliation. A clean reconciliation file can help taxpayers respond quickly if AIS information does not match return disclosures or if clarifications are sought.

Given the increasing use of third-party data analytics and international information exchange mechanisms, discrepancies between foreign financial information reflected in AIS and disclosures made in tax returns may become a significant trigger for scrutiny.

Source: CBDT Order dated 8 July 2026 authorising upload of AEOI information into AIS through Form No. 168.

Additional observation: Public reports indicate that the broader framework may also facilitate reporting of such information in Form 26AS alongside AIS disclosures. This point was reported in external media coverage but is not expressly stated in the CBDT order excerpt reviewed.

Disclaimer: This alert is intended for general information only and does not constitute professional advice. Taxpayers should evaluate facts and documentation before taking any position.

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